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SUBJECT: NICARGUA - VENEZUELA CONTRACT FOR THE SALE OF RED BEANS

¶1. (SBU) Summary. As part of a series of Bolivarian Alternative agreements between Nicaraguan and Venezuela signed on January 11, 2007, the Presidents of Cooperative Enterprise for Agricultural Services (NICARAOCOOP) and the President of the Venezuelan Corporation for Agricultural Services and Supply (LA CASA) signed a contract for the sale of 1.250 MT of red beans. This cable reports on the substance of this contract. End Summary.

¶2. (SBU) The sales contract between La Empresa Cooperativa de Servicios Agropecuarios NICARAO, R.L., (NICARAOCOOP) and the Corporacion de Abastecimiento y Servicios Agricolas, SA (LA CASA) for the sale of 1.250 MT of red beans to Venezuela was one of a series of commitments negotiated by the Ortega government before it came to power on January 10, 2007. NICARAOCOOP President Moises Lopez and LA CASA President Erika Del Valle Farias Pena signed the contract on January 11, 2007. The substance of this contract and other ALBA agreements was kept from the public for weeks, although the Embassy managed to obtain an unsigned draft. This cable reports on the substance of this draft contract.

#### The Draft Contract

¶3. (SBU) The contract consists of thirty-three clauses addressing Nicaraocoop's sale of 1.250 MT of red beans to La CASA at agreed upon terms, including price, quality, inspection requirements, delivery, freight charges, and other contract clauses. The stated price in the draft contract is \$760 per metric ton, but this conflicts with the price placed in parenthesis, i.e., \$1081 per metric ton. The latter almost corresponds to the total amount written into the draft contract, i.e., \$1,350,375, which the draft contract states is equivalent to BS2,903,306,250 (Note: this figure conflicts with the figure placed in parentheses (BS 2,786,400,000)). No annexes mentioned in the draft contract were attached. The contract expires 6 months from the date of signature.

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